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ABSTRACT

Current federal definitions and proposed alternative definitions of financially independent students, and the effect of the definitions on the numbers and attributes of independent students, are reviewed. Current federal law defines financial aid applicants as financially independent of their parents if they meet three criteria (the "tri-form" test): a residence criterion; an income tax deduction criterion; and a financial support criterion. Census and program data describe growing pools of older potential and actual undergraduates, along with increasing enrollments drawn from younger, single (and possibly independent) groups. Dissatisfaction with the current definition of independent students has stimulated a number of proposals for change. Six options for alternative criteria can be categorized as follows: (1) extended tax independence, (2) tri-form and age requirement; (3) tri-form and self-sufficiency; (4) combination of tri-form and options two and three; (5) age alone; and (6) option two with exceptions where there are dependents. Appended materials include 11 options proposed by the Department of Education; information on data sources, estimation procedures, and reliability of estimates. (SW)

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Financial Aid for Self-Supporting Students: Defining Independence

Alan P. Wagner and Nancy Carlson

The Washington Office of the College Board

April 1983

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Foreword

The bedrock of need-based student assistance policy since the 1950's has been the assumption that parents have the primary obligation to pay for their children's higher education, with aid awarded to the student only after the parents have contributed to the extent of their financial ability. In the 1980's, as college costs continue to rise and student aid levels off or contracts, most observers agree that this traditional expectation of parental responsibility and sacrifice will have to be reinforced.

Yet for growing numbers of students enrolled in postsecondary education, the presumption of parental support is impractical or questionable. The fulltime dependent student of "college age" (18–21) has become less and less typical of the college-going population and will become still less so in this decade and the next. More adults are returning to higher education for a "second chance" or retraining and mid-career change. At the same time young people are stretching out their education, enrolling parttime, stopping out, or alternating periods of work and education. No one argues that the parental obligation should last indefinitely, but where to draw the line will perhaps be the most vexing issue of student aid policy in the years ahead. Should the determination be keyed automatically to such factors as the student's age or marital, family, or veteran status? To what extent, if any, should parents be obligated to support their offspring's graduate and professional education?

Much is at stake in distinguishing as accurately and as fairly as possible between dependent and independent students. With less student aid money to go around, trade-offs are becoming more acute. Aid to students who are judged self-supporting is awarded solely on the basis of their own income and assets, not on the financial well-being of their parents. If students whose parents could reasonably be expected to help pay college costs are able to take advantage of aid programs by qualifying under self-supporting definitions, less money will be available for legitimately needy students. The challenge for federal, state, and campus policy makers will be how to screen out students who might abuse the system without being unfair to those who ought to be viewed as free-standing adults, for whom an expectation of parental support would be inappropriate.

This report is a careful examination of a tangled policy issue. The study reviews existing data on postsecondary undergraduates and concludes that much of the recent growth in the number of independent students stems from increased enrollments of older individuals, many of whom are indeed on their own financially. As the authors note, the "independent student problem" is, in large part, the problem of "how to accommodate a student population that is becoming increasingly independent under any definition."

At the same time, the data indicate recent growth in the number of unmarried 18 to 21-year-old students classified as independent. Young, single students without dependents still represent only 10 percent of all self-supporting students, but their number is increasing. It is this group that causes much of the concern over how to define independence for student aid purposes fairly and accurately.

Several alternatives to the prevailing federal rules for establishing independence have been discussed in recent years. This analysis uses data on 1979-80 undergraduate enrollments from a federally-sponsored survey (Study of the Impact of Student Financial Aid Programs, conducted by Applied Management Sciences) to estimate changes in the number and characteristics of independent students under alternative definitions.

The options chosen for analysis are not necessarily the specific ones that will be debated by policy makers this year or in the years ahead. But they encompass a large enough range of possibilities that the analysis will serve as a reference for the continuing policy discussions.

There are important limitations, of course, in any such statistical analysis. The study relies on data describing college students in the school year 1979–80. More recent data would always be preferable, but the authors worked with what is available. In addition, the available data are restricted to undergraduate enrollments. Accordingly, the analysis does not suggest how changes in the definition of independence might affect the participation of graduate students in the aid programs.

Data limitations aside, the analysis provides an empirical backdrop for the debate on an issue that is too often misperceived and too readily oversimplified. The strongest message from this study is that there are no easy, clearcut solutions.

This study was conducted by Alan P. Wagner, an economist at the Center for Educational Research and Policy Studies at the State University of New York at Albany, and Nancy Carlson, Research Assistant in the Washington Office of the College Board.

Many other individuals provided assistance and advice along the way. Janet S. Hansen guided the project and ensured that the presentation of the results was as clear and timely as possible. Donald Holec offered insights and reactions which helped focus the paper in important ways. Charles Byce provided sound judgments and suggestions on the data analysis. Paul Siegel and Steve Carter facilitated access to relevant, unpublished data. Helpful information and comments also came from Don M. Betterton, Joe Paul Case, William Cavanaugh, Donald Gillespie, Mary Murphy, James White, and Natala Wickstrom. James Farrell and William Ferris edited the manuscript. Irene Wu, Valerie Bullock, Diane Erving, and Winona Orange typed and proofed it, and Teena Chase assisted in the preparation of early drafts and tables.

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Lawrence E. Gladieux
Executive Director

Contents

FOREWORD iii

INTRODUCTION 1

THE CURRENT DEFINITION AND ITS IMPACT 3
A Profile of Independent Students/4
Flaws in the Current Definition/4
Effects of the Current Definition/6

REDEFINING FINANCIAL INDEPENDENCE 10
What Has Been Proposed/10
The Impact of Alternate Definitions/13

CONCLUSIONS 18

APPENDIX A: Eleven Options Proposed by the Department of Education, December 1981 21

APPENDIX B: Data Sources, Estimation Procedures, and Reliability Estimates 22

APPENDIX C: Supplementary Tables 28

REFERENCES 29

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Financial Aid for Self-Supporting Students: Defining Independence

Introduction

The definition of financial independence as it applies to students has troubled administrators of student financial assistance programs for many years. A key assumption of the student aid system is that parents are responsible for the postsecondary education expenses of their children to the extent of their ability to pay. An essential corollary is that the financial needs of students who are "truly" independent of their families should be judged without reference to parental resources. The problem is to specify and implement criteria that satisfactorily distinguish between independent and dependent students.

Recent developments have renewed interest in the definition of financial independence for student aid purposes. The number of independent students has grown rapidly in all aid programs. For example, between 1976 and 1982 financially independent applicants in the federal government's multibillion-dollar Pell grant program increased by 50 percent (from 1.2 million to 1.8 million). This growth has attracted the attention of officials in the Reagan Administration, concerned both with emphasizing parental financial responsibility and with cutting program costs. They have outlined 11 options for tightening the existing definition of financial independence (see Appendix A). The requirements used by some states and institutions in administering their own funds are already more stringent than those used in federal programs.

College officials, too, are dissatisfied with the current definition. Aid officers, who have to account for the proper use of public student aid subsidies, have a difficult time verifying all the information provided by applicants and families to prove financial dependence or independence. At the same time, aid officers have to deal with anomalies in the current methods of establishing independence. On the one hand, they encounter students who qualify as independent under existing rules but who cannot demonstrate either visible means of self-support or the existence of a separate household. On the other, they see increasing numbers of (usually older) aid applicants for whom the existing rules seem unnecessary and overly burdensome.

A final reason for renewed attention to the definition of student financial independence is that the current need analysis system appears to treat independent students too harshly, in part to avoid creating incentives for dependent students to establish independence as a way of qualifying for more aid. There is growing interest in the aid community in making need analysis less confiscatory in the treatment of an independent student's resources. This change, it is widely agreed, must be accompanied by a better way of determining which students are truly self-supporting and which still have financial ties to their parents. The challenge is to develop and implement a definition that distinguishes simply, fairly, and appropriately between students who can depend on parental support and those who cannot.

This paper was written to help inform the search for an improved definition by providing a quantitative analysis of "the independent student problem" and of options for change. Such an analysis is made possible by a unique data base containing financial and demographic information about undergraduate students

in academic year 1979-80. This data base was developed during the federally sponsored "Study of the Impact of Student Financial Aid Programs" (SISFAP), and we have used it, along with some supplementary data sources, to examine the population of independent students under current federal rules and to estimate the effects of changing these rules.

Two important caveats are in order. First, because SISFAP covered only undergraduate students, our analysis is also limited to undergraduates. We do not examine the graduate student population at all. This population is not eligible for some student aid programs (e.g., Pell grants) and receives considerable aid in others (e.g., Guaranteed Student Loans). Policy makers considering changes in the definition of independent students must weigh the likely effects on graduate students and on programs in which they participate. Second, our analysis is based on the population of undergraduate students in 1979-80 as described by SISFAP. Because characteristics of undergraduates may have changed since 1979-80, our estimates may not totally reflect the current student population.

This paper is divided into three parts. The first part describes independent students as defined by existing federal regulations and examines why these students are increasing in number. The available data and published reports examined show that students who are older or heads of their own families account for a sizable share of the increase in the pool of independent students, and their numbers seem likely to continue growing. In 1979-80, only 10 percent of financially independent undergraduates were both under 22 years old *and* single, with no dependents. In this respect, the current definition appears to have excluded most of a subgroup usually considered to be dependent on parental support. However, the data also suggest that part of the increase in independent students is coming from this younger, single group. Over time, therefore, the number of younger, single independent students may continue to grow if the definition of independence remains unchanged.

The second part, on alternative definitions, reviews earlier studies of possible refinements in the definition of financial independence and identifies several criteria that might be used in modifying the definition. It also illustrates several options for change and uses the SISFAP data to estimate how each option would affect the number and characteristics of undergraduates qualifying as independent.

The final section summarizes key issues and presents conclusions.

The Current Definition and Its Impact

Under current federal law, financial aid applicants are deemed financially independent of their parents if they satisfy three criteria:

(1) a *residence* criterion (may not have lived with parent or guardian for more than six weeks per year);
(2) an *income tax deduction* criterion (may not have been claimed as a dependent by parent or guardian for federal income tax purposes);
(3) a *financial support* criterion (must not have received more than $750 in a year from parents or guardians).

These criteria—the "tri-form" test—are applied in both the previous calendar year and the year of enrollment for applicants who are single. In the 1982-83 school year, married students must satisfy the criteria only for one year. The qualifying definitions are presented more fully in the adjoining box.

WHAT IS AN INDEPENDENT STUDENT?
Current Federal Criteria

In 1982-83 an independent student is defined as—

A single student who for 1981 and 1982—

(1) Has not lived and will not live for more than six weeks in each year in the home of parent(s);

(2) Has not been claimed and will not be claimed as a dependent for federal income tax purposes by parent(s); and

(3) Has not received and will not receive financial assistance of more than $750 in each year from parent(s); or

A married student who for 1982—

(1) Will not live for more than six weeks in the home of parent(s);

(2) Will not be claimed as a dependent for federal income tax purposes by parent(s); and

(3) Will not receive financial assistance of more than $750 from parent(s).

"Parents" include natural parents and other caretakers or guardians, whose income must be reported according to regulations governing federal student aid programs.

A Profile of Independent Students

Under these criteria, who are the independent students? In the 1979–80 academic year, an estimated 2.9 million undergraduates met the definition of financial independence.[1] Of these, 54 percent, or 1.6 million students, actually received some form of student aid from the federal government.

As the figures in Table 1 indicate, the independent population includes relatively large numbers of students who are male, minority, older, and heads of multiperson households. With about 85 percent above 21 years of age, most financially independent undergraduates were older than the traditional 18- to 21-year-old age group. And nearly 62 percent claimed at least one dependent or were married. Looked at another way, only 10 percent of financially independent undergraduates were both under 22 years old and single, with no dependents. Finally, self-supporting students in 1979–80 chose nontraditional postsecondary schooling options: fully one third enrolled parttime, while 54 percent selected the shorter programs offered at community colleges or proprietary institutions.

Flaws in the Current Definition

Although modified to reflect changing economic and family circumstances over time, the definition of financial independence remains largely as it was in the 1960's. Practically from its inception, the definition has been a source of controversy. At the center of the debate is whether, in fact, the criteria in the tri-form test adequately separate students who cannot lay claim to parental support from those who can. The current definition raises three concerns.

The first is whether the three criteria in the tri-form test are sufficient to determine when students and parents have severed significant economic ties. The issue has two dimensions. One involves the practical problem of measuring the presence or absence of an economic relationship. The other involves normative judgments about when parents should be relieved of responsibility for their children's expenses.

The second concern is whether the criteria used to establish financial independence can be verified. As Hansen (1974) and Hansen and Lampman (1974) point out, the financial support and residence criteria are rather easily circumvented. In-kind (as opposed to cash) support from parents, for example, may not be reported. Gifts from friends and relatives may also be ignored. As a result, a student can establish financial independence and still indirectly receive family support.

The final concern is whether the definition gives incentives to students and their families to change from dependent to independent status in order to obtain a larger public subsidy for educational expenses. Such a change in dependency status would violate the intent, if not the legal wording, of the

1. The data come from special tabulations of the SISFAP-AMS student questionnaire data base (Department of Health, Education and Welfare, 1980). For more detail, see "Redefining Financial Independence" and Appendix B.

Table 1. Characteristics of Undergraduate Students and Aid Recipients by Dependency Status, 1979–1980 (Numbers in 000's)

	Students				Federal Aid Recipients[a]			
	All Undergraduates		Independent Undergraduates		All Undergraduates		Independent Undergraduates	
	Number	%	Number	%	Number	%	Number	%
Total	8,653	100.0	2,905	100.0	3,932	100.0	1,562	100.0
Sex								
Male	4,436	51.3	1,547	53.3	2,015	51.2	848	54.3
Female	4,217	48.7	1,358	46.7	1,917	48.8	714	45.7
Racial/Ethnic Group								
White	7,140	82.5	2,234	76.9	3,187	81.1	1,199	76.8
Black	858	9.9	372	12.8	394	10.0	198	12.7
Hispanic	336	3.9	132	4.5	177	4.5	64	4.1
Other	319	3.7	167	5.8	174	4.4	101	6.5
Age								
19 years or under	1,435	16.6	73	2.5	619	15.7	33	2.1
20 and 21 years	3,160	36.5	375	12.9	1,353	34.4	213	13.6
22 to 24 years	2,187	25.3	779	26.8	942	24.0	392	25.1
25 to 34 years	1,327	15.3	1,180	40.6	716	18.2	642	41.1
35 years and over	544	6.3	498	17.1	302	7.7	282	18.1
Family Status								
Unmarried, no deps.	6,753	78.0	1,110	38.2	2,909	74.0	585	37.5
Unmarried with deps.	542	6.3	512	17.6	274	7.0	263	16.8
Married, no deps.	503	5.8	431	14.8	270	6.9	235	15.0
Married with deps.	855	9.9	852	29.3	479	12.2	479	30.7
Attendance Status								
Full-time	6,979	80.7	1,947	67.0	3,067	78.0	992	63.5
Part-time	1,674	19.3	958	33.0	865	22.0	570	36.5
Institution Type								
Public four-year	3,951	45.7	1,068	36.8	1,688	42.9	501	32.1
Public two-year	2,094	24.2	1,167	40.2	1,233	31.4	624	40.0
Private four-year	1,635	18.9	267	9.2	441	11.2	103	6.6
Private two-year	205	2.4	47	1.6	28	0.7	12	0.8
Proprietary-vocational	768	8.9	356	12.3	542	13.8	322	20.6

[a] Participants in Department of Education federal student aid programs.

Source: U.S. Department of Health, Education and Welfare, *SISFAP Student Questionnaire data file,* special tabulations. See text and Appendix B.

definition. Hansen and Lampman (1974) and others have shown that the potential gain from changing dependency status in the Pell grant program is sizable. For example, a family of four at the lowest income quartile could forego five years of reduced taxes by giving up the exemption for the otherwise dependent student member—at a cost of $1,000 in increased tax liability. The greater liability would be more than offset by the student's increased eligibility for a Pell grant: over 4 years, Pell assistance could be anywhere from $2,000 to $3,000 more than if the student had remained dependent.[2] But this differential is misleading. Financial aid packages include assistance from other federal, state, institutional, and private sources. When the subsidies in the entire financial aid package are compared to tax benefits, the differential might well be much smaller. This would certainly be true if the institution's aid office (or the state scholarship program) used more exacting criteria to determine financial independence.

Effects of the Current Definition

Have the increases in independent undergraduate enrollments come from students who are "truly" independent? The evidence, marshalled from census and financial aid program data, suggests that the answer is "partly yes, partly no."

According to data obtained from the Census Bureau's October Current Population Survey (CPS) series, the pool of "potential" undergraduates has become older and includes more single individuals. Potential undergraduates are individuals who have graduated from high school but have not completed four years of college. The aging of the potential student pool can be seen in Table 2. From 1976 to 1978, the pool increased by 6.3 percent, and by 4.7 percent from 1978 to 1980. Younger cohorts generally increased by less than the overall rate, while the older cohorts experienced a greater than overall rate of growth. Importantly, undergraduate enrollments also increased most rapidly in the older groups, whose members are likely to be independent.[3]

A more detailed look at the census data, however, suggests that the aging of the student population may not be the only reason for the increase in independent

2. These are estimates of the authors. The lost tax savings assume a 20-percent marginal rate for each of five years (the year preceding enrollment and four years in college). The unused exemption, at $1,000 per year, leads to a $200-per-year increase in tax liability. Pell grant calculations assume a family of four at the lowest-income quartile (about $13,000 in 1982–83) with no unusual expenses and no assets above allowable reserves. Our calculations show the net gain is even greater for high-income families. And, over time, the net gain to high-income families from circumventing the system in this way has not decreased. Rather, the more liberal treatment of families with dependent children, ushered in with the Middle Income Student Assistance Act, was accompanied by a similar easing in the contribution calculations for self-supporting students. Details are available from the authors.

3. Using information supplied in the 1976 Survey of Income and Education (SIE), Hill and Froomkin (1982) find that about 10 percent of postsecondary students above age 25 were dependent on their parents. However, since they did not have the student and family data necessary to determine independence under the financial aid definition, Hill and Froomkin used other criteria that are somewhat more restrictive. See Hill (1981).

students. More younger students may be qualifying as financially independent as well. As shown in Table 3, large increases in enrollments among 18 to 24 year olds classified as "single, not in a family" occurred over the 1978 to 1980 period.[4] The number of such students increased by 5.5 percent over the two years, while the numbers of potential undergraduates in this group remained about the same (−.2 percent).

These data and similar data on financial aid applicants seem to show two separate groups fueling the growth in the numbers of financially independent students.[5] First, a growing pool of older potential undergraduates provided over half the increase in independent student enrollments. However, enrollments also increased from a younger, unmarried group, many of whom qualified as self-supporting. It is the growing enrollment from the latter group that has caused concern.

Why have enrollment rates increased among younger, single students, especially single independent students? The popular reading of the figures points to the incentives for young adults otherwise dependent on their families to form separate households in order to qualify for larger amounts of financial aid. Nelson et al (1974) estimated that parents of qualified independent students saved about $2 billion annually in expected contributions toward education expenses. Presumably the tab was picked up by student aid.

An alternative interpretation, also consistent with the data, recognizes that high unemployment rates among young adults and increases in student aid

4. In the CPS, "family members" are assigned to a "primary family" if they usually live with the family; those designated as family members would almost certainly be dependent for financial aid purposes. The other two groups, married and other individuals not usually living with their families, are somewhat more likely to be judged independent. A supplement to the October 1973 CPS requested the information necessary to determine dependence under the tri-form test (U.S. Department of Commerce, Bureau of the Census, 1975). The tabulations presented in the published report suggest that the Census "single, in family" category identified dependent students quite well. Applying the "tri-form" test, 4.6 million undergraduates were determined to be independent in 1973 compared to 4.3 million classified as single family members in the same CPS. The remaining difference reflects differences in the ages covered in the tabulations, and in the treatment of currently married students. Nonetheless, the figures are remarkably close. Lee (1983) also used CPS data to search for changes in the size of and enrollment from "potentially" independent groups identified here (i.e., those not living in a "primary family"). Our work differs from Lee's in two important ways: (1) Lee compares data collected in 1974 and 1981, while we examine trends from 1976 to 1980; (2) Lee combines "married," "single, not in family," and "age" groups, while we examine these groups separately. This last difference is particularly important because the trends for the 18- to 24-year-old married group run opposite to changes in the "single, not in family" group. Thus, Lee's presentation hides important differences in the size of and enrollments from a subgroup of particular interest to policy makers concerned with financial aid.

5. Financial aid program data, culled from information supplied to the Pell grant program and the College Scholarship Service (CSS) by potential students seeking financial aid, indicate an increase in older and younger applicants. From 1978 to 1980, the 53.3 percent increase from the youngest independent Pell grant applicants (19 years or less) exceeded the 42.5 percent increase across all age groups (see Table C-1). Information obtained from the CSS filing population (Table C-2) shows a decline in the average age of independent filers over the 1977–78 to 1979–80 period. This pattern holds for independent applicants at every year in school.

Table 2. Changes in Potential Undergraduate Students and Undergraduate Enrollments by Age: October 1976 to October 1980

	Percent Change	
	1978 to 1980	1976 to 1978
Potential Undergraduates		
Total, 18 to 34 years	4.7	6.3
18 and 19 years	.6	.5
20 and 21 years	−.6	5.6
22 to 24 years	3.7	6.6
25 to 34 years	8.2	8.2
Undergraduate Enrollment		
Total, 18 to 34 years	+5.3	−1.3
18 and 19 years	1.2	−1.2
20 and 21 years	6.5	−4.7
22 to 24 years	11.6	.7
25 to 34 years	6.1	2.3

Source: Percentages estimated from U.S. Department of Commerce, Bureau of Census (1981a, 1981b, 1982). Undergraduate enrollments from U.S. Department of Commerce, Bureau of the Census (1981b). "Potential Undergraduates" are defined as persons who have graduated from high school, but have not completed four years of college.

between 1978 and 1980 may have affected college enrollment rates.[6] Both changes would have greatly increased the attractiveness of postsecondary schooling to all 18- to 24-year-old potential undergraduates. Those already self-supporting in this age group may simply have responded more readily.

In sum, the census and program data describe growing pools of older potential and actual undergraduates, along with increasing enrollments drawn from younger, single (and possibly independent) groups. The aging of both potential and actual students suggests that the number of legitimately self-supporting students is likely to rise even if the definition is tightened, and that policy makers must ask how financial aid programs are to accommodate a student population that is becoming, under any definition, increasingly independent.

6. Census data for the 1976 to 1980 period support this view. For the 16- to 24-year-old cohort, the number employed increased by 14.8 percent from 1976 to 1978, then declined by 2.9 percent over the 1978 to 1980 period. See Young (1981).

Table 3. Changes in Potential Undergraduates and Undergraduate Enrollment by Age and Family Status: October 1976 to October 1980

	Percent Change	
	1978 to 1980	1976 to 1978
Potential Undergraduates		
Total, 18 to 24 years	+1.5	+4.5
Single, in family	5.2	3.5
Married	−4.7	−5.1
Single, not in family	−.2	24.9
Total 25 to 34 years	+8.2	+8.2
Single, in family	—	—
Married	4.5	3.7
Single, not in family	16.9	20.8
Undergraduate Enrollment		
Total, 18 to 24 years	+4.1	−2.1
Single, in family	5.8	−3.2
Married	−11.4	−11.0
Single, not in family	5.5	13.2
Total 25 to 34 years	+6.2	+2.3
Single, in family	—	—
Married	−7.0	−4.9
Single, not in family	26.5	15.8

Source: Potential undergraduates estimated from U.S. Department of Commerce, Bureau of the Census (1981a, 1981b, 1982). Undergraduate enrollments from U.S. Department of Commerce, Bureau of the Census (1980, 1981a).

Redefining Financial Independence

Dissatisfaction with the current definition of independent students has stimulated a number of proposals for change. Although widely discussed, few of the proposals calling for additional, verifiable criteria to determine financial independence have been carefully examined. The following discussion reviews the range of proposals for redefining financial independence and estimates the effects of various alternative definitions on the numbers and attributes of independent students.

What Has Been Proposed

Proposals for change have ranged from modest to radical. Some would allocate financial aid to "truly" independent students through need analysis and aid packaging, rather than by refining the definition of financial independence. Curtis (1974), for example, suggests that students and their parents be allowed to choose independent or dependent status. Those qualifying for aid as dependent students, however, would be eligible for larger grants in their aid packages. Hansen (1974) offers a similar proposal. Windham (1974) would drop the distinction between dependent and independent students entirely. He proposes that "basic need" should be based on the fixed "minimum" cost of attending less some contribution from *student* income and assets. Any remaining "basic need" plus other "required" needs (e.g., support for spouse or children) could be met through long-term loans or voluntary parental contributions.[7]

These proposals have the advantage of minimizing the effects of flaws in the current definition, such as its reliance on inadequate (yet burdensome), arbitrary, and unverifiable criteria. They represent, however, a major departure from current approaches because they do not *require* an accounting of resources available to the student from all sources, including parents. Such proposals, then, are inconsistent with the prevailing view that parents retain the primary responsibility for helping to meet the educational expenses of their offspring.

If parents do retain a responsibility for support, the problem is to distinguish more effectively between students who can lay claim to parental support and those who cannot (and must support themselves). How to determine whether (and when) a student has become "truly" independent of parental and family support remains an unresolved issue in existing research.[8] We simply do not know which student households are truly self-supporting. Without clear guidelines from the available research, aid administrators and policy makers have adopted criteria that indicate both a lack of parental support and the existence of a separate, "independent" student household.

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7. This two-tiered approach to need assessment has surfaced again in the proposals advanced by Horch and Case (1980) and Heffron (1980).

8. Future research might extend work on the economics of the family (including intra-family economic transfers) to better understand what families *actually* do, i.e., the extent to which they support student education expenses. This would be contrasted with the views of what families *should* do, as expressed in the existing definitions and current or proposed family contribution schedules. See Wagner (1980, 1983).

How might the definition be changed to improve the identification of independent students? A variety of proposals have been advanced.[9] If implemented, these proposals would add to the present definition one or more of the following criteria:

Extended Tax Independence: require applicants to show they were not claimed as a dependent for four years (up from two years in the current definition). Proposals for expanded, verifiable, *direct* evidence of financial independence focus on extending the tax independence requirement to four years, as has been done in California for state aid. The additional, verifiable evidence of the student's financial separation from the parents and family is viewed as a particularly strong indication of financial independence

Several recent studies document the impact of such a change. In a study completed for the Pennsylvania Higher Education Assistance Authority, Jerry Davis (1981) found that 18 percent of the 1981–82 independent Pell grant recipients were classified as dependent in the previous year. Data collected in a study at the University of California at Santa Cruz imply that 14 percent of the 1979–80 independent financial aid recipients were dependent as recently as two years prior to the current year (Little 1982). Hills and VanDusen (1982) provide data for 1979–80 that indicate a 15 percent difference in the numbers of students (aid applicants *and* nonapplicants) qualifying as independent in California when the federal definition of financial independence and the more restrictive California definition are compared. College Scholarship Service data for 1982–83 California financial aid applicants show a 21 percent difference (Nesbitt 1983).

Age: require applicants to be at least 22 years old. Perhaps the simplest refinement in the definition of financial independence would be the addition of an age criterion. The use of an age requirement follows from the view that older students rely less on parental support than do younger students. In part, this view reflects reality (older students receive little support from parents); in part, it is a subjective judgment (parents should not be expected to support older offspring—whether they wish to or not).

In either case, the added age criterion would be an easily understood and verifiable refinement of the current definition. It has the advantage of simplicity for applicants as well as for aid administrators.

Proof of Self-Sufficiency: require applicants to show evidence of outside income sufficient to support themselves when not in school. One objection to the tri-form definition is that it allows students to be classified as independent without

9. See, for example, White (1982), Little (1981), U.S. Department of Education (1981), and Appendix A.

proving that they have had the financial resources to support themselves in separate households from their parents. A self-sufficiency requirement could be verified through tax returns or records documenting nontaxable income.[10]

Being Married and/or Having Dependents: require applicants to be married or to show evidence of providing for dependents. The presence of a spouse or other dependents is often seen as a reasonable proxy for financial independence because it suggests the existence of an independent household. In fact, current federal law requires married students who wish to be considered independent to pass the tri-form test only for the school year in question, an easier proof than that required of single students. Some observers feel that, at least for younger students, marriage alone should not relieve parents of responsibilities for educational support. The presence of dependents *other* than a spouse, however, might signify a truly independent household. Such a criterion is verifiable using tax returns or other records.

Elapsed Time from High School Graduation: require applicants to be at least four years beyond the date of high school graduation. This criterion has much in common with the age criterion and emphasizes the view that parents, to the extent they are able, should finance the undergraduate education of their offspring. It recognizes, however, that this parental obligation is less when the offspring is an older student than when he or she proceeds immediately from high school to college. Using an age criterion would accomplish about the same thing, however, and would be easier to administer.

In some proposals, one or more of these criteria would *replace* the residence and financial support requirements in the existing definition. This change would remove the provisions in the current definition that most financial aid professionals believe to be unverifiable and difficult to administer. Earlier studies suggest, however, that eliminating the residence and financial support criteria alone would increase the number qualifying as independent by as much as 25 percent.[11]

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10. The requirement, as implemented by some colleges and universities, calls for a minimum level of support. The rule becomes more complicated when applied to parttime or continuing students. Independent students enrolled less than fulltime might be asked to demonstrate income sufficient to support themselves for the portion of time not enrolled (e.g., one fourth of the income requirement for a three-quarter-time student). Students defined as dependent in the previous year could qualify as independent for financial aid if they satisfied the tri-form test and demonstrated the full amount of the self-sufficiency requirement.

11. The estimate comes from Nelson et al (1974). For 1974–75 fulltime students, they find that a relaxation of the financial support and residence criteria would increase the number classified as "independent" by as much as 5 percentage points (a 25-percent increase). Other simplifying modifications (including those who are 21 years of age or older, who delay entry two years, who work at least half-time, or who are married) would increase the number classified as independent by 10 to 20 percentage points (up to a doubling of the existing independent student share).

The Impact of Alternate Definitions

The following analysis illustrates six possible options for changing the definition of independent students and how the number of such students would change under each option. The analysis describes the effects of each alternative by age group: students under 22, students 22–24, and students 25 and over. It also shows effects by family status, identifying married and unmarried students and those who have dependents (other than a spouse). These divisions make it possible to examine options that apply different definitions to different age groups or that treat students with dependents (other than a spouse) differently from unmarried or childless students. The divisions also make it possible to recombine the various elements into additional options not discussed below.

The options exhibit the range of alternatives that have been proposed and are not necessarily consistent with existing legislative or regulatory practices. Moreover, they illustrate changes in the number of independent students, *not* independent student aid recipients, under different definitions. The number of actual aid recipients will depend on the number of students who apply for help, on the level of aid available, and, most importantly, on the methods of need analysis used to calculate eligibility. If, as some aid officers wish, need analysis becomes less confiscatory for independent students in the future, program costs will not necessarily be reduced by tightening the rules determining who is independent. The critical point is that defining independent students and determining an appropriate need analysis for them are different, though interrelated, problems. How they are dealt with will ultimately affect the number of independent students qualifying for financial aid and the levels of aid they will receive.[12]

The statistical estimates are based on data from responses to questionnaires sent to students in the 1979–80 academic year (U.S. Department of Health, Education, and Welfare, 1980). Surveyed by Applied Management Sciences, Inc., for the Office of Evaluation and Dissemination in the Department of Education, the subjects were selected as part of a stratified random sample that could be weighted to reflect the attributes and choices of the population of all postsecondary students enrolled halftime or more. Respondents provided information on family economic and demographic attributes, attendance and school choices, and educational finances. Details regarding the survey design, instrument, and item nonresponse, and the procedures employed to adjust for response errors, are presented in Appendix B.

Table 4 describes six possible alternatives to the existing tri-form definition. Options 1–3 add requirements to the tri-form test. Option 1 extends the period during which a student would have had to be independent of his or her parents for tax purposes to three years before enrollment as opposed to the one year used in the tri-form test. This is the one option that could not be modelled using the SISFAP data, but an overall estimate of its effects based on California's experience with a similar test in its state program is included. Option 2 adds to the tri-form test a requirement that students be over 21 to qualify as independent.

12. See College Scholarship Service (1983) for a discussion of this point.

Table 4. Alternative Criteria for Defining Student Financial Independence

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
General Description	Extended tax independence	Tri-form and age requirement	Tri-form and self-sufficiency	Combination of tri-form and Options 2 and 3	Age alone	Option 2 with exceptions where there are dependents
Ages 18–21	Tri-form and 2 additional years of tax independence from parents	All students dependent by definition	Tri-form and $3,000 income in year preceding enrollment ($6,000 for multiperson families)	Tri-form and own dependents (other than spouse)	All students dependent by definition	Own dependents (other than spouse)
Ages 22–24	Same as above	Tri-form	Same as above	Tri-form and (1) own dependents *or* (2) $3,000 income in year preceding enrollment ($6,000 for multiperson families)	Independent by definition	Tri-form *or* own dependents
Ages 25 and over	Same as above	Same as 22–24	Same as above	Tri-form	Same as 22–24	Same as 22–24

Table 5. Changes in the Numbers of Independent Students Under Alternate Definitions--Based on Student Population in 1979-80 (numbers in thousands)

	All Undergrads	Tri-form Definition	Option 1 Tri-form & Extended Tax[a]	Option 2 Tri-form & Age	Option 3 Tri-form & Self-Suff.[b]	Option 4 Combination	Option 5 Age	Option 6 Tri-form & Age *or* Dependents
Total, All Ages	8,653	2,905	2,452	2,457	1,827	2,377	4,058	2,595
Unmarried with no dependents	6,753	1,109		819	632	669	2,359	819
Unmarried with own dependents	542	512		440	170	512	455	542
Married with no dependents	503	431		379	304	344	425	379
Married with own dependents	855	852		819	721	852	819	855
18 to 21 Years of Age	4,595	448		0	162	105	0	123
Unmarried with no dependents	4,394	291		0	116	0	0	0
Unmarried with own dependents	87	72		0	12[c]	72	0	87
Married with no dependents	78	52		0	24[c]	0	0	0
Married with own dependents	36	33		0	10[c]	33	0	36
22 to 24 Years of Age	2,187	779		779	470	594	2,187	790
Unmarried with no dependents	1,801	427		427	277	277	1,801	427
Unmarried with own dependents	154	143		143	38[c]	143	154	154
Married with no dependents	147	124		124	89[c]	89[c]	147	124
Married with own dependents	85	85		85	66[c]	85	85	85
25 Years and Older	1,871	1,678		1,678	1,195	1,678	1,871	1,682
Unmarried with no dependents	558	392		392	239	392	558	392
Unmarried with own dependents	301	297		297	120	297	301	301
Married with no dependents	278	255		255	191	255	278	255
Married with own dependents	734	734		734	645	734	734	734

Notes: [a]Percentage change derived is estimated from California data.
[b]Distributions for all classes estimated from percentage changes in first-year enrollments.
[c]Based on a raw cell count of less than 20.

Sources: All but extended tax—U.S. Department of Health, Education and Welfare, *SISFAP Student Questionnaire Data Base*, tabulations, 1982. Extended tax—Hills and VanDusen (1981).

This option is identical to one proposed in 1982 by the Reagan Administration. Option 3 applies a self-sufficiency test as well as the tri-form requirement: to qualify as independent a student would have to have earned at least $3,000 ($6,000 for multiperson households) in the year before enrolling. Continuing students would be classified as independent if they met the tri-form test and the self-sufficiency requirement or were enrolled as independent students in the previous year.

Options 4-6 illustrate additional ways the definition might be changed. Option 4 is more complex, combining the tri-form, age, and self-sufficiency requirements along with modifications for students with dependents. Option 5 goes to the other extreme in seeking simplicity and easy verifiability. Here, the only criterion for independence is age: students below 22 are dependent and all others are independent. Option 6 modifies Option 2 (the 1982 Administration proposal) by allowing any student, regardless of age, to be independent if he or she has dependents other than a spouse. (Orphans or wards of the court could be given similar treatment; though the effects are not modelled here, the number of students affected would likely be small.)

Table 5 shows the number of undergraduates by category in 1979-80 and the number qualifying as independent under the tri-form test. It then shows how many students would have been independent if Options 1-6 had been in place instead.

Several general observations are suggested by these results:

- Option 1 (extended tax independence) would probably affect mostly 18-21 year olds, though there would undoubtedly be some impact on older students as well. Overall, the effect is not very different from that of an age test (Option 2).

- Option 3, which involves a test of financial self-sufficiency, reduces independent student numbers by the largest amount. Almost 500,000 students with their own dependents—including 270,000 above age 25— would fail this test, even though they currently qualify as independent on the tri-form test.

- Option 4, which combines self-sufficiency and other criteria, is complex and does not produce overall results much different from simpler options like 1, 2 and 6, though subgroups of students would be affected quite differently by the different options.

- Age alone (Option 5) is the simplest test and easiest to verify, but would cause the number of independent students to increase markedly.

- Option 6 modifies the age test in Option 2 (the 1982 Administration proposal) to allow any student with dependents other than a spouse to qualify automatically as independent. This would increase the number of independent students by 138,000 over Option 2, with most of these in the 18-21 group. Without this modifi-

cation the age test would count as dependent about 100,000 18–21 year olds who have dependents of their own and who qualify as independent under the tri-form test. As Table 5 shows, almost all undergraduates over 21 with dependents already qualify as independent under the tri-form test. That test, however, is less easily verified and requires more information from the student than a test that looks only at age and the presence or absence of dependents.

Conclusions

As budgetary pressures mount, policy makers and institutional administrators must look for ways to allocate student aid resources more effectively and equitably. At least part of the pressure on scarce funds has come from an increase in the pool of independent students applying for and receiving financial aid. As a result, several proposals have emerged that are intended to define more clearly those who are "truly" independent, to minimize the potential for abuse and manipulation of the current definition, and to distribute more equitably the limited supply of funds between independent and dependent students.

With these concerns as a backdrop, this paper has evaluated the impact of the current criteria and proposed alternatives for defining financial independence.

The current definition represents a crude attempt to gauge the extent of parental support. How effective the definition is in excluding those who can and normally would depend on their parents is simply not known. Barely 10 percent of the pool of independent students in the 1979–80 academic year was under 22 years old and single, with no dependents. This small share suggests that the current definition may be effectively limiting independent student status to those likely to be self-supporting. Moreover, census and financial aid data show steady increases in older independent students, a population usually viewed as "truly" independent. It seems clear, then, that part of the "independent student problem" must be how to accommodate a student population that is becoming increasingly independent under any definition. This raises the question of whether parents should be expected to provide financial support after their student offspring reach a certain age. Should we, for example, expect support for students 25 years of age or older?

Another age-related concern is the recent growth in the number of independent students from young, traditionally dependent age groups. Some of this growth may be a response by young, "truly" independent students to reduced employment opportunities and increased eligibility for larger amounts of student financial aid. But some students may be artificially establishing financial independence, even though they could expect support from their parents, in order to obtain larger student aid awards. Whether such manipulation occurs, of course, depends on whether the incentives for changing dependency status are sizable. With respect to the Pell grant program, they may be. But students receive assistance from other programs. What is not known is the extent to which independent students fare better (or worse) in the allocation of campus-based, state, and private aid.

Our analysis attempted to show how alternate criteria for financial independence affect the numbers and attributes of students who qualify. Two broad conclusions merit emphasis. First, definitions that *reduce* the existing triform criteria (e.g., drop the residence or financial support requirements) or *exempt* subgroups (e.g., allow those over 21 or 24 to claim independence) would enlarge the pool of independent students considerably. Under current budgetary constraints, these simplifying changes seem feasible only if accompanied by addi-

tional, if more readily verified and administered, requirements in the definition of financial independence.

Second, *adding* criteria to the tri-form test—extended tax independence, age, or self-support—would reclassify as dependent relatively large numbers of student parents and older students, who are usually viewed as truly independent of their parents. We present an alternative which defines as independent: a) students who are at least 22 years of age *and* satisfy the tri-form test, and b) students who have their own dependents, regardless of age or other factors. This alternative results in a 10 percent drop in the total number qualifying as financially independent, with the largest reduction among students under 22 who have no dependents.

These conclusions should be taken as suggestive of the effects of changing the definition of financial independence. The composition of the undergraduate student pool continues to shift. In addition, it is possible that changes in the definition of independence could influence enrollment behavior. We have not tried to estimate such effects. Clearly, some potential students will simply not enroll if they are unable to qualify as independent. Others may still enroll, perhaps parttime at a low-cost community college. Such changes would take place gradually, as students and their families adapted to the new rules.

Given the mounting pressures to solve the "independent student problem," a wider, informed discussion of the effects of specific alternatives as well as the underlying issues seems appropriate and timely.

Appendix A:
Eleven Options Proposed by the Department of Education, December 1981

Option 1: Maintain existing definition (the tri-form test) and rules about years to which it applies (year preceding enrollment and year of enrollment).

Option 2: Maintain existing definition but apply it only to year preceding enrollment.

Option 3: Modify tri-form test to eliminate residence and parental support rules and apply tax dependency test only in year preceding enrollment.

Option 4: Validate independent student status. This option would be considered along with the adoption of options 1, 2, or 3. In addition to the present validation of applicant information falling outside of the edit check parameters, validation procedures would be required for a five to ten percent random sample of independent students qualifying for Pell Grant and campus-based aid and those qualifying only for campus-based aid.

Option 5: Adjust need analysis for independent students to reflect the lower income offsets that were in effect before the passage of the Middle Income Student Assistance Act of 1978.

Option 6: Apply tri-form test in year of enrollment and *two* prior years.

Option 7: Apply tri-form test in year of enrollment and *three* prior years.

Option 8: Forbid students to change from dependent to independent status while maintaining fulltime enrollment in postsecondary education.

Option 9: Allow only students over a certain age (e.g., 21, 25, 30) to be considered independent, with the possible exceptions of students who are married, married with dependents other than a spouse, and/or wards of the court or of deceased parents.

Option 10: Require an independent student to demonstrate self-sufficiency in that (s)he has lived independently of any outside source, with the possible exception of public assistance, for a certain period of time.

Option 11: Allow no student to claim independence prior to four years after his or her high school graduation date, with the possible exceptions of students who are married, married with dependents other than a spouse, and/or wards of the court or of deceased parents.

Source: U.S. Department of Education, Office of Student Financial Assistance, "The Independent Student Issue," *The Bulletin*, December 1981.

Appendix B:
Data Sources, Estimation Procedures, and Reliability of Estimates

The data presented in this paper come from several published and unpublished sources. This appendix contains a description of each source, including the populations covered, definitions used, and necessary simplifying assumptions and adjustments.

Census: Current Population Surveys

The Current Population Surveys (CPS), conducted several times each year by the U.S. Bureau of the Census, collect economic, educational, and demographic information from representative samples of the population. The October CPS collects data on school enrollment. The March CPS collects detailed information on educational attainment.

The basic trend data employed in this report are drawn from published data from the October surveys in the years specified. The data in the published reports are limited in four respects.

1. Enrollments in noncollegiate postsecondary schools are specifically excluded. These institutions enroll about 12 percent of all independent students.

2. Detailed enrollment characteristics of students 35 years old and over are not presented. These enrollments account for perhaps one fifth of the independent student population.

3. None of the tables in the School Enrollment CPS series provides sufficient detail to obtain estimates of the "potential undergraduate" student pool, i.e., those who have completed high school but not four years of college. The "potential undergraduate" estimates in the paper have been obtained by applying the proximate shares of the identified age and family status groups who meet the "potential undergraduate" criteria (from the Educational Attainment CPS series) to the population estimates given for October.

4. As discussed in footnote 4, the Census does not collect the information necessary to determine independence for the purposes of awarding financial aid. However, students can be identified by their reported family statuses. Among 18 to 24 years olds, the data identify three groups: "primary family members," who are not currently married; "married," both in a parent's family or in their own households; and residuals, those neither in a primary family nor married. "Primary family members" would include single children residing with their parents (clearly a dependent group). However, they would also include single parents (probably independent). At best, these divisions are suggestive of independent student status.

The emphasis on trends, within specified groups, greatly minimizes the effects of these limitations and adjustments. The substance of the discussion would

probably not be much different had more precise measures of the student pools been available.

Finally, while the Census data are used as casual, suggestive evidence of trends, we do have some indication of the reliability of the estimates shown in the tables. According to the Census publications, the standard errors of the sample estimates range to 3 percent (varying by population and characteristic examined). If the sample estimates differ from the true population figure by as much as one standard error, the percentage change estimates shown in the tables may be off by as much as 5 points.

Student Surveys: HEW, 1980

Applied Management Sciences (AMS) conducted and designed Phase III of the U.S. Office of Education's "Study of the Impact of Student Financial Aid Programs" (SISFAP III) in the winter and spring of 1979 to evaluate the ability of institutional and federal administrative policies and practices to fulfill the legislative goals associated with the student assistance programs. AMS designed a 1980 study to replicate this baseline study and, further, to assess the impact of the Middle Income Student Assistance Act of 1978 (MISAA). Both efforts employed two data collection instruments: (1) the student questionnaire and (2) the record review form (field personnel transcribed data from financial aid records for each recipient in the sample). Although the record review form maintained a 100% completion rate, it collected data for *aid recipients only;* therefore, the student questionnaire data was used for this study.

The estimates within each subgroup have been obtained by reweighting the samples. We estimated the total enrollments within each of 80 cells (five institutional sectors by fulltime or parttime by sex by four racial/ethnic categories). The estimated figures for the 1979–80 academic year, derived from Census and NCES data, are shown in Table B-1. The number of respondents with no missing data elements was generated for each of the cells (Table B-2). When the estimated enrollments were divided by the numbers in each cell, the appropriate weight for a respondent in that cell was obtained. The weights are shown in Table B-3. Finally, after selecting independent students and excluding the cases missing various marital and household information, we adjusted the weights according to the probability of a (weighted) respondent receiving financial aid within each institutional sector. The financial aid adjustment factors for 1979–80 are found in Table B-4.

Since the SISFAP data base does not contain information on the dependency status in prior years, we obtained the self-sufficiency estimates with a two-step procedure. First, the self-sufficiency requirement was applied for first-year students only. The estimated percentage reduction in the numbers qualifying in the first year was then used to estimate the decrease for all undergraduate students. We are assuming that, once this requirement is fully phased in, the drop in first-year enrollments will be matched in the second-, third- and fourth-year classes. This assumption probably leads to an overestimate of the decline in student

Table B-1. Enrollment Estimates, 1979–1980
(in 000's)

	Pub. 4	Pub. 2	Priv. 4	Priv. 2	Prop./voc.
Full Time					
Male					
White	1,621	485	652	57	173
Black	149	84	60	10	25
Hispanic	54	42	21	4	13
Other	49	36	20	4	10
Female					
White	1,385	469	598	61	222
Black	193	105	84	14	29
Hispanic	49	41	21	6	16
Other	44	37	18	5	13
Part time (More than half but less than full)					
Male					
White	223	288	59	13	136
Black	19	35	5	2	19
Hispanic	9	26	2	1	10
Other	8	22	3	1	8
Female					
White	139	374	71	8	106
Black	17	4	8	.1	14
Hispanic	4	26	2	.6	8
Other	4	24	3	.7	6

Table B-2. Unweighted SISFAP Enrollments, 1979-1980

	Pub. 4	Pub. 2	Priv. 4	Priv. 2	Prop./voc.
Full Time					
Male					
White	1,127	376	1,054	148	52
Black	87	46	94	15	17
Hispanic	56	36	30	4	0
Other	45	47	30	2	2
Female					
White	1,382	452	1,136	299	260
Black	184	103	205	13	43
Hispanic	61	31	30	12	20
Other	39	53	44	2	12
Part Time (More than half but less than full)					
Male					
White	93	88	39	5	9
Black	11	12	5	1	0
Hispanic	3	5	2	0	0
Other	4	10	3	2	1
Female					
White	116	99	58	25	38
Black	19	18	17	3	8
Hispanic	7	13	1	1	6
Other	3	11	3	1	5

Table B-3. Enrollment Weights, 1979–1980
(× 1,000)

	Pub. 4	Pub. 2	Priv. 4	Priv. 2	Prop./voc.
Full Time					
Male					
White	1.44	1.29	0.62	0.39	3.33
Black	1.71	1.83	0.64	0.67	1.47
Hispanic	0.96	1.17	0.70	1.00	13.00
Other	1.09	0.77	0.67	2.00	5.00
Female					
White	1.00	1.04	0.53	0.20	0.85
Black	1.05	1.02	0.41	1.08	0.67
Hispanic	0.80	1.32	0.70	0.50	0.80
Other	1.13	0.70	0.41	2.50	1.08
Part Time (More than half but less than full)					
Male					
White	2.40	3.27	1.51	2.60	15.10
Black	1.73	2.92	1.00	2.00	19.00
Hispanic	3.00	5.20	1.00	1.00	10.00
Other	2.00	2.20	1.00	0.50	8.00
Female					
White	1.20	3.78	1.22	0.32	2.79
Black	0.90	0.22	0.47	0.03	1.75
Hispanic	0.57	2.00	2.00	0.60	1.33
Other	1.33	2.18	1.00	0.70	1.20

Table B-4. Financial Aid Adjustment Factors, 1979-1980

Aid Recipients

Calculated as: $\frac{\text{BEOG recipients in universe}}{\text{Weighted BEOG recipients in SISFAP}} = \frac{B}{B_1}$

	Pub. 4	Pub. 2	Priv. 4	Priv. 2	Prop./voc.
Dependent	0.67	1.17	0.41	0.22	0.98
Independent	0.80	1.01	0.69	0.58	1.52

Nonrecipients of Aid

Calculated as: $\frac{\text{Weighted SISFAP total} - (\text{Weighted SISFAP aid recipients} \times \frac{B}{B_1})}{\text{Weighted SISFAP total} - \text{Weighted SISFAP aid recipients}}$

	Pub. 4	Pub. 2	Priv. 4	Priv. 2	Prop./voc.
Dependent	1.52	0.77	1.91	2.16	1.03
Independent	1.27	0.99	1.41	1.40	0.24

numbers, since students previously defined as dependent could stop-out, meet the self-sufficiency requirement, and return to school as qualifying independents.

Second, we estimated the numbers still qualifying within the subgroups. Our approach was, first, to apply the percentage change in the distribution of first-year students by subgroup to the *distribution* of all undergraduates within each group. But one further adjustment was required. Students move from one subgroup to another as they persist in school—younger to older age groups, two-year to four-year colleges. As a result, when the revised distributions within a category are applied, the total for the category exceeds (or falls short of) the total for the entire population. So, where the percentage changes, based only on first-year enrollments, yielded over- or under-estimates of the total number qualified within a given category, the over- (under-) estimate has been deducted (added) to the subgroups within each category according to their original share of the total.

Appendix C:
Supplementary Tables

Table C-1. Changes in Pell (Basic) Grant Applicants by Age and Dependency Status: 1976 to 1980

	Percent Change	
	1978 to 1980	1976 to 1978
Total, all years	+32.4%	+1.0%
19 years or less	29.9	−3.3
20 and 21 years	29.4	2.4
22 to 24 years	32.0	.9
25 to 29 years	35.3	−1.8
30 years and older	47.2	19.9
Independent, all years	+42.5%	+1.1%
19 years or less	53.3	−5.5
20 and 21 years	45.5	−7.8
22 to 24 years	38.1	−4.6
25 to 29 years	37.6	−3.0
30 years and older	48.2	21.5

Source: U.S. Department of Education, Bureau of Student Assistance, *Pell Grant National Summary Statistics: Academic Year 1980–81* (and earlier years), unpublished tabulations (1982).

Table C-2. Mean Age of CSS Undergraduate Financial Aid Applicants by Year in School and Dependency Status: 1976 to 1981

	Average Age					
	81–82	80–81	79–80	78–79	77–78	76–77
Dependent Undergraduates	19.5	19.9	18.9	19.6	19.5	19.0
Freshman	18.9	18.9	17.9	18.5	18.6	18.5
Sophomore	20.0	20.0	19.0	19.7	19.6	19.6
Junior	21.0	21.0	20.1	20.7	20.6	20.7
Senior	22.0	22.0	20.9	21.6	21.5	21.6
Independent Undergraduates	26.6	26.6	25.5	26.4	26.4	26.4
Freshman	27.3	27.1	26.0	26.8	27.0	26.9
Sophomore	26.9	26.7	25.6	26.7	26.5	26.4
Junior	26.2	26.2	25.3	25.9	26.0	26.0
Senior	26.1	26.1	25.1	25.8	25.7	25.8

Source: College Scholarship Service, *National Summary Data: 1981–82* (and earlier reports), 1982.

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